

10 December 1981

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GERRY ARMSTRONG

Special Unit CA INT
c/o CECP

RE: Staff Contract for Employment
by the Church of Scientology
International

Dear GERRY,

Today, the tenth of December, the Church of
Scientology Internatuonal begins operation.

- This will effect those staff who are part of the
following: WLC, CMO INT, CC, IMO, CMO CW, ITO, PDOI, HKU
and the HU.

I have attached several issues for briefing. Please
read through these and look over the attached diagram that
lays out the changes that will occur in the Church of Scien-
tology of California as well as the new churches that will be
formed.

As you will be part of the new CSI, it is important that
you are formally, properly and legally initiated.

This will be done with you filling out the attached
Staff Covenant.

This covenant is taken from the CSC covenant which
you are probably familar with. Please read it through and fill
out the appropriate lines, sign it, have it witnessed and
return it to me. I will look it over and sign the last line of
the covenant, then have the covenant filed with your appropri-
ate HCO.

These covenants are needed ASAP to ensure that CSI is
properly established as well as ensuring proper pay and services
are maintained for you.

Thanks for filling this out.

Much love,

Marcus

Marcus Swanson
Special Unit CA INT
c/o CECP

BRIEFING

CORPORATE CHANGES

A lot of attention has been placed on the corporate structure of the Church of Scientology in recent times and with very exciting results to facilitate very rapid expansion during the coming New Year.

Some of the major basic changes as they relate to you and your organization are given in this briefing.

CHURCH OF SCIENTOLOGY INTERNATIONAL (CSI)

WDC, CMO Int, IMO, ED Int and the OC are all now part of a brand new corporation named the Church of Scientology International. This new corporation is the Mother Church for all Scientology organizations world wide. It is a US corporation. Having top management and ecclesiastical guidance in a corporation devoted solely to that gives the top of the org board a lot of flexibility. It also makes it easier for local organizations to communicate with local officials and tax authorities as to exactly who is at the top ecclesiastically and what corporate body receives your organization's management monies. This new corporation is a non profit religious corporation under US law.

CHURCH OF SCIENTOLOGY, FLAG SERVICE ORGANIZATION (FSO)

The Flag Service Organization and it's supporting Estates organizations has it's very own brand new corporation. The corporate name is Church of Scientology, Flag Service Organization. It is also a US non profit religious corporation presumed exempt under US Federal tax laws.

CHURCH OF SCIENTOLOGY OF CALIFORNIA (CSC)

The Church of Scientology of California now consists of the following: AOLA, ASHO, USGO, FOLO West, CMO PAC, CMO SU, Golden Era Studios, NWC West, the Manor Hotel, Cadet Org and the Cedars Estates Service Org. Containing such units, CSC will remain a major corporation for the US organizations - a regional church. CSI is the International Mother Church, and C of S FSO is the senior most delivery organization in the world.

MANAGEMENT AGREEMENT

Since CSI is the Mother Church for all of the world wide churches, it would follow that all management and direction given by CSI would be exchanged for by the Churches receiving such from CSI. Management Agreements have been drawn up with a very unique schedule worked out for each org to help support CSI on a percentage basis whereby all of the orgs in the world will contribute a percentage of their CGI to CSI. The percentage will change based on the International CGI and what CSI needs. This is an excellent system as your org can now easily support Flag and Senior Management. For non US orgs this will be a great help for Exchange Control authorities as well as tax authorities as the line is very visible, direct, and of course, legally sound. It is also quite simple. The agreement will hold up regardless of the tax status of either CSI or the local orgs contracting with CSI.

The exact details of how to write the checks, etc., are written up in separate issues.

CHURCH OF SCIENTOLOGY
SPECIAL ORG RESERVE TRUSTS

Two new Trusts are being formed to serve the purposes that 'Sea Org Reserves' were to serve when first conceived. The Trusts will be a safe receipt point for such funds including those funds from the 'Special Org Reserve' line that several organizations set up. Via their Trustees, the Trusts will apply the funds to international expansion programs, emergency situations, etc. The Trusts here will deal with funds that are not otherwise sent toward Management fees or on the '5% line'. (The 5% line being for US orgs a flow of funds to the already existing US Trust, and for the non US orgs a flow of funds in the care of GO WW.) The new US Special Org Reserve Trust has the name: Church of Scientology ~~Charitable~~ Religious Trust, and the other Reserve Trust will have it's name released shortly.

PARISHIONERS

With Flag, SFO and LAO established as separate corporate entities there is a change in how the finances are handled with respect to Parishioners. The organizations and their people and location will remain exactly the same. But being no longer a part of CSC, the new corporations will be taking over the responsibility for delivering the services earlier to be delivered as a CSC corporation. As such, the Advance Payments that parishioners made for the services of any of these corporations when they were part of CSC are being transferred to these new corporations.

This applies to non-US parishioners who have made donations for Flag services. The line is now much faster and

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simpler as, for example, Flag public need only arrive at FSO with their donations or send their donation to FSO ahead of time for accounting purposes. There are no other vias or complications.

Making a sepearte corporation for Senior Management and for top technical delivery, has been a dream long in the making. Providing the outer area organizations with a greatly improved management line and improving the lines for Sea: Org Reserves so it is even stronger are long awaited products which benefit us all. Our Church is strengthened greatly as a result.

These items alone will solve Exchange Control and tax problems for many many organizations without any further handling, and the simplicity of the financial lines for organizations and parishioners both couldn't help but speed up the expansion of Scientology!

In the coming year there will be more such good news - for now the above should make for a very good New Year!

27 November 1981

The Board of Directors
of the Mother Church

SO ED

ALL STAFF
SO ORGS
CLASS IV ORGS
ALL GO's

November 1981

EXPANSION
AND CORPORATE CHANGES

Recently Scientology has expanded it's activities to such a large degree it has become necessary to make some changes in the corporate structure of the Church in order to increase our delivery to the public and facilitate further expansion of Scientology internationally.

CHURCH OF SCIENTOLOGY INTERNATIONAL

MOTHER CHURCH

A new corporation has been formed entitled CHURCH OF SCIENTOLOGY INTERNATIONAL (CSI). CSI has assumed the ecclesiastical responsibilities of Mother Church for all other Scientology Churches. CSI will be based at 118 N. Ft. Harrison, Clearwater, Florida, 33515. Senior Management Bodies such as Office of the Executive Director International, Office of the Controller, International Management Org, International Training Org, and CMO Clearwater will be legally parts of this new corporate body.

Ecclesiastical lines will not be affected by this change. (Ecclesiastical: Def:of or pertaining to the Church or clergy). IMO will continue to provide management services, evaluations, programmes, etc. ITO will continue to train outer org staff.

The FOLO's will continue their operations within their current sphere's.

The continental GO's will continue to manage the GO activities for their continent.

CHURCH OF SCIENTOLOGY OF CALIFORNIA

USGO, AOLA, ASHO, FOLO WUS, CMO PAC, and CESO (Cedars Estates Service Org) will continue to be a part of the corporate body of the Church of Scientology of California. These orgs and units will continue to perform the functions they are currently doing.

CHURCH OF SCIENTOLOGY FLAG SERVICE ORGANIZATION

A new corporation has been formed to deliver the training and processing services at Flag. This new corporation is called THE CHURCH OF SCIENTOLOGY FLAG SERVICE ORGANIZATION, (CSFSO) which will be located at the same facilities in Clearwater. This new organization is the "Top of the Bridge" of Scientology and is completely set up to deliver all the upper level services previously provided by the Church of Scientology of California in Clearwater.

CHURCH OF SCIENTOLOGY OF LOS ANGELES

AND

CHURCH OF SCIENTOLOGY OF SAN FRANCISCO

Two new separate and independent religious church corporations have been formed to facilitate the future expansion of Scientology in California. These are the CHURCH OF SCIENTOLOGY OF LOS ANGELES (CSLA), and the CHURCH OF SCIENTOLOGY OF SAN FRANCISCO (CSSF).

Both of these Churches are full Class IV Orgs and are prepared to deliver Scientology training and processing services in their respective areas.

Scientology internationally is entering a new era of even greater expansion and delivery and the above changes are designed to facilitate this expansion towards achieving the overall aims and goals of the Scientology Religion.

Midge Hunt
Mission Corporate
"Sort Out" 3rd

Mark Greenia
Mission Corporate
"Sort Out" Research &
Prep Off

Approved by
WATCHDOG COMMITTEE

C of S of C

WDC	CMO INT	CMO CW	CMO PAC	OC		
CADET	LAO	SFO	AOLA	ASHO	FSO	IMO
CO FLB OFFICE		FLB ESTATES	USGO	GO GLA		
FOLO WUS	SU	ITO	NEW WORLD CORP LA			
GOLDEN ERA STUDIOS		RESERVES COMMITTEE				
PDOI		HKU	HU			

PROPOSAL

CSI

WDC		
CMO INT		
OC	IMO	
CMO CW		
CO FLB OFFICE		
ITO		
RES CMTE REP		
PDOI	HKU	HU

CSC

AOLA	ASHO	USGO
CMO SU	CMO PAC	
GO GLA	FOLO WUS	
CADET	SU	GOLD
NWC LA	RES CMTE REP	

F50

FLAG SERVICE ORG
AREA ESTATES
PUBLIC ESTATES
RES CMTE REP

Cof S of LA
CORP

LAO

Cof S of SF
CORP

SFO